



Quarterly Statistical Bulletin

QUARTER ENDED DECEMBER

Issue 14/2012

The CMA Capital Markets Bulletin – Q4/2012

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Abbreviations and Acronyms

ADB	African Development Bank
BR	Brokers
CDSC	Central Depository and Settlement Corporation
CDS	Central Depository and Settlement
CIC	Co-operative Insurance Company
CMA	Capital Markets Authority
CMC	Cooper Motors Corporation
CPI	Consumer price index
CU	Custodians
DTB	Diamond Trust Bank
DTM	Deposit Taking Microfinance
EAC	East African Community
EAPCC	East African Portland Cement
EC	East African Corporate investors
EI	East African Individual investors
FC	Foreign Corporate Investors
FI	Foreign Individual Investors
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offer
KES	Kenya Shillings
KNBS	Kenya National Bureau of Statistics
LC	Local Corporate investors
LI	Local Individual investors
NASI	NSE All-Share Index

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NIC	National Industrial Credit
NSE	Nairobi Securities Exchange
PO	Public Offer
Q1	Quarter one
Q2	Quarter two
Q3	Quarter three
Q4	Quarter four
qoq	quarter on quarter
USD	United States Dollars
WB	World Bank

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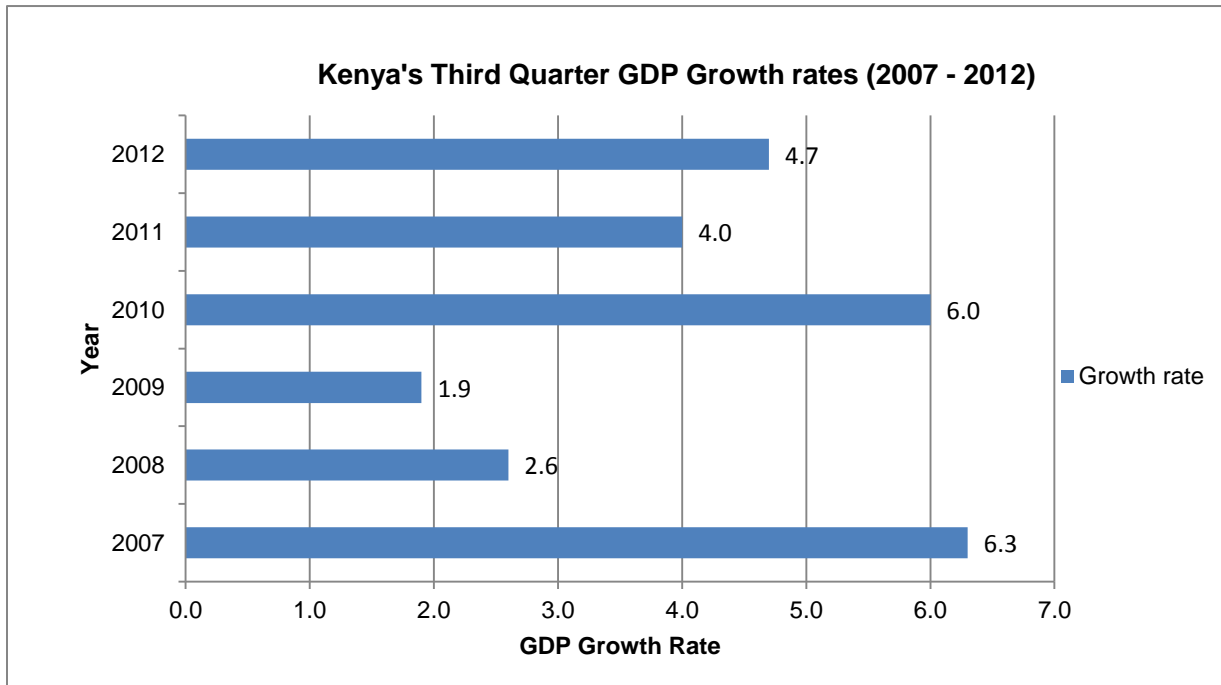
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Executive Summary

The Kenyan economy

GDP Growth Rate

According to the latest data from the Kenya National Bureau of Statistics (KNBS), the Kenyan economy registered a notable recovery in the third quarter of 2012 improving to 4.7 percent, up from 3.4 percent and 3.3 percent in the first and second quarters, respectively. The growth was also more robust, compared to the 4.0 percent growth registered in a similar quarter in 2011. The improved growth was attributed to improved macroeconomic stability and a robust performance by the agricultural sector due to improved rains.



Source: KNBS

In addition, during the Fourth quarter, international rating agencies namely, Standard and Poor's and Moody's affirmed Kenya's rating at B+ and B1 respectively, with a stable outlook, founded upon relative political and macroeconomic resilience, driven by the Constitution, ongoing structural changes involving economic diversification, the rapid adoption of communications technology and improvements in infrastructure.

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On the foreign exchange front, the Kenya Shilling recorded mixed performance during the quarter, depreciating marginally against the major international currencies, while appreciating against some of the regional currencies. The shilling depreciated by 0.88%, 0.32%, 3.09%, 5.07% and 3.63% against the US Dollar, the Pound, the Euro, the Uganda Shilling and the Burundian Franc respectively.

Table 1: Mean Exchange Rate for the Kenya Shilling - A comparison of Q3/2012 and Q4/2012

Currency	September 2012	December 2012	%Δ
US DOLLAR	85.28	86.03	0.88%
STG POUND	138.57	139.02	0.32%
EURO	110.15	113.56	3.09%
SA RAND	10.38	10.14	-2.31%
KES/USHS	29.75	31.26	5.07%
KES/TSHS	18.48	18.42	-0.30%
KES / RWF	7.28	7.18	-1.32%
KES / BIF	17.24	17.87	3.63%

Note: a negative means appreciation
Source: CBK

Over the same period, the Kenya shilling also gained against the South African Rand, the Tanzania Shilling and the Rwandese Franc by 2.31%, 0.30% and 1.32% respectively.

Interest Rate Environment

During the quarter, interest rates remained relatively stable, albeit with marginal fluctuations. The overdraft rate remained the highest interest rate, ranging between 18.80% and 19.81%. The lending rate fluctuated between 18.70% and 19.73%, while the saving rate was the lowest swinging between 1.55% and 1.6%. The Treasury bill rate fluctuated between 8.25% and 9.8%. All this was against a background of a reduced CBR that was revised from 13% in October 2012 to 11% in November and December 2012.

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Table 2: Selected weighted average monthly interest rates for Kenya

Month	Deposit	Savings	Lending	Overdraft	91-day T-bill	CBR
Q1/2012						
Jan-2012	7.66	1.62	19.54	20.38	20.56	18.00
Feb-2012	8.01	1.69	20.28	20.53	19.70	18.00
Mar-2012	N/A	N/A	N/A	N/A	N/A	N/A
Q2/2012						
Apr-2012	9.04	1.58	20.22	20.27	17.80	18.00
May-2012	8.42	1.59	20.12	20.41	16.01	18.00
Jun-2012	7.88	1.46	20.30	20.36	11.18	18.00
Q3/2012						
Jul-2012	8.25	1.66	20.15	19.96	10.09	18.00
Aug-2012	7.85	1.58	20.13	20.31	11.95	16.50
Sep-2012	6.8	1.6	18.15	17.79	7.77	13.00
Q4/2012						
Oct-2012	6.6919	1.5697	18.6997	18.8047	8.97	13.00
Nov-2012	6.85	1.6	19.04	19.13	9.80	11.00
Dec-2012	7.4	1.55	19.73	19.81	8.25	11.00

Source: CBK

Inflation

During the quarter, Kenya's inflation maintained its downward trend dropping to 4.14 percent in October, a marginal decrease from September's 5.32 percent, according to the Kenya National Bureau of Statistics (KNBS). Prices of commodities however continued to strain the cost of living as the Consumer Price Index (CPI) increased by 0.43 percent from 131.89 in September to 132.46 in October. In November 2012 overall inflation rate dropped to 3.25 percent from 4.14 percent recorded in October 2012, the lowest recorded rate of inflation in Kenya over a period of more than 24 months. The overall inflation rate dropped further to 3.20 percent in December 2012, mainly due to price decreases on some food products. Month-on-month Inflation has been on a steady decline since November 2011, when it peaked to 19.72 per cent.

Capital Markets

In the quarter ending December 2012, the primary equities market was quiet, while the secondary market was relatively active, with the latter recording better performance, relative to the preceding quarter, as indicated by the market's key performance indicators. Average end-period market capitalization was 8.2% higher at Sh1.21 trillion, against the Sh1.12 trillion registered in the preceding quarter. The NSE 20-share index also registered a 5.9% increase,

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standing at 4121, against 3890 in Q3/2012. Share volume was also on the upside, rising by a significant 83% from 1.2 shares in the preceding quarter to 2.2 million shares in Q4/2012. Following a similar trend was equity turnover which rose by 36% from Sh21.5 billion to Sh29.2 billion in Q4/2012.

In the primary bonds market, Centum issued a Sh3.2 billion bond which was listed on the Fixed Investment Market Segment of the NSE as by way of Introduction. In the secondary market, Sh139 billion worth of bonds was traded in the quarter to December 2012, compared to Sh216.9 billion worth of bonds traded during Q3/2012, a 40% decrease. In terms of year-on-year comparisons, the Sh566.5 billion bond turnover was 27% higher than the total bond turnover registered in 2011. This is the highest bond turnover recorded in Kenya's history.

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1.0 Primary Market Performance

1.1 Primary Equities Market

a. Initial Public Offers (IPOs)

During the period between January 2000 to December 2012, the following IPOs have been witnessed in the primary equities market:

Table 1: Initial Public Offers (IPOs) 2000-2012

Company	Shares on Issue	Type of issue	Year of Issue	Issue Price	Sum Raised	Subscription level
	Ordinary Shares		Year/Month	Kshs	Kshs.	%
African Lakes (Delisted in 2003)	4,000,000	IPO	2000 March	94.50	378,000,000.00	150%
Mumias Sugar Company	300,000,000	IPO	2001 November	6.25	1,125,000,000	60%
Kengen	658,900,000	IPO	2006 April	11.90	7,840,910,000.00	333%
Scangroup	69,000,000	IPO	2006 June	10.45	721,050,000.00	620%
Eveready	63,000,000	IPO	2006 Aug	9.50	598,500,000.00	830%
Access Kenya	80,000,000	IPO	2007 March	10.00	800,000,000.00	363%
Kenya Re	240,000,000	IPO	2007 July	9.50	2,280,000,000.00	334%
Safaricom	10,000,000,000	IPO	2008 June	5.00	50,000,000,000.00	532%
Co-op Bank	701,000,000	IPO	2008 October	9.50	5,400,000,000.00	81%
British American	660,000,000	IPO	2011 September	9.00	3,515,103,000	60%
TOTAL	15,475,900,000.00				72,658,563,000.00	

Source: Capital Markets Authority

b. Additional Offers and Listings by Introduction

Uganda power distributor Umeme was cross-listed on the Nairobi Securities Exchange (NSE) in December 2012 at a price of Sh8.80, making it the 61st company to list on the NSE. The company had earlier been listed on the Uganda Securities Exchange at an IPO price of Sh9.00. During the IPO, 622.37 million shares were issued and sold, comprising 272.37 million subscription shares issued by the power distributor and 350 million sale shares issued by Umeme Holdings, a company owned by private equity fund Actis. The IPO received a 136.9 per cent subscription level. A total of 1,623,878,005 ordinary shares were listed on NSE's Main Investment Market Segment.

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Table 2: Additional Offers (AOs) and POs 2000-2012

Company	Shares on Issue	Type of issue	Year of Issue	Offer Price	Sum Raised	Subscription level
	Ordinary Shares	OFS/Introd.	Year	Kshs	Kshs.	%
Pan African Insurance Holdings	24,000,000	AO	2000	21.50	516,000,000.00	100%
ICDC	8,948,725	AO	2001	37.00	211,905,808.00	64%
Mumias Sugar Company	91,999,220	AO	2006	49.50	4,320,000,000.00	95%
Deacons Kenya	12,800,000	PO	2010	62.50	700,990,000.00	87.5%
UAP	12,500,000	PO	2012	60.00	971,910,000	129.59%
SMEP DTM	145,454,546	PO	2012	11.00	266,658,887.00	16.67%

Table 3: Introductions 2000-2012

Company	Shares on Issue	Type of issue	Year of Issue	Offer Price	Sum Raised	Subscription level
Equity Bank	90,500,000	Introduction	2006	90.00	N/A	N/A
CFC Insurance Holdings	515,270,364	Introduction	2011	6.15	N/A	N/A
Transcentury Limited	267,038,090	Introduction	2011	50.00	N/A	N/A
Longhorn Publishers	58,500,000	Introduction	2012	14.00	N/A	N/A
CIC Insurance	2,179,615,440	Introduction	2012	3.50	N/A	N/A
Umeme	1,623,878,005	Introduction	2012	8.80		

Source: Capital Markets Authority

c. Rights Issues

Three rights issues were conducted during the quarter. NIC Bank issued 98,724,391 rights shares, raising Sh7.0 billion, a 338 percent subscription level, at an offer price of Kshs 21.00 per share. The rights were issued in the ratio of 1 new ordinary share for every 4 ordinary shares held. Further, Standard Chartered Bank Kenya issued 22.08 million rights shares in the ratio of 1:13 at a price of Sh145.00 and raised Sh8.2b - a 258.4% subscription level. In addition, CFC Stanbic Holdings successfully conducted a 4:9 rights issue after offering 121.6 million rights shares at a price of Sh33.00. The company raised Sh4.49 billion reflecting a 112.8% performance rate.

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Table 4: Rights Issues 2004-2012

Company	Shares on Issue	Date of Issue	Offer Price	Sum Raised	Subscription level
KCB	50,000,000	2004	49.00	2,750,125,000.00	112%
Uchumi	120,000,000	2005	10.00	1,269,600,000.00	106%
CfC Bank	12,000,000	2005	62.00	744,000,000.00	100%
DTB	15,527,343	2006	50.00	2,305,810,436.00	297%
Olympia Capital	30,000,000	2007	14.00	428,400,000.00	102%
DTB	23,291,015	2007	70.00	2,902,060,469.00	178%
NIC Bank	16,482,910	2007	70.00	1,719,167,513.00	149%
HFCK	115,000,000	2008	20.00	2,369,000,000.00	103%
KCB	221,777,777	2008	25.00	8,122,024,075.00	146%
KCB	887,111,110	July 2010	17.00	12,500,000,000.00	82.5%
TPS East Africa	24,701,774	September 2010	48.00	1,185,685,152.00	135%
Standard Chartered	15,109,323	October 2010	165.45	2,499,837,490.00	161%
KPLC	488,630,245	November 2010	19.50	9,830,340,000.00	103%
KQ	1,477,169,549	March 2012	14.00	14,487,949,714.00	70.06%
DTB	24,455,566	June 2012	74.00	3,369,522,734	186.2%
NIC	98,724,391	September 2012	21.00	7,007,457,273.00	338%
CFC Stanbic Holdings	121,637,427	October 2012	33.00	4,495,719,302.00	112%
Standard Chartered Bank	22,080,000	October 2012	145.00	8,272,934,400.00	258%
TOTAL	3,763,698,430.00			84,699,822,708.00	

Source: Capital Markets Authority

d. Bonus Issues (2009 – 2012)

Table 5: Bonus Issues 2009-2012

Company	Date (Month/Year)	Bonus Issue Ratio
NIC Bank	Feb-09	1:10
Carbacid	Oct-09	2:1
NIC Bank	Feb-10	1:10
National Bank	Mar-10	2:5
Nation Media Group	Mar-10	1:10
Jubilee Holdings	Mar-10	1:10
TPS Serena	Mar-10	1:6
Centum Investment	Jun-10	1:10

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Company	Date (Month/Year)	Bonus Issue Ratio
Car & General	Jan-11	1:2
Pan Africa Insurance	Mar-11	1:1
Jubilee Holdings	Apr-11	1:10
Centum Investment	Jun-11	1:10
KPLC	Oct-11	1:8
NIC Bank**	Feb-12	1:10
Cooperative Bank	Mar-12	1:5
Access Kenya	Mar-12	1:20
Jubilee**	Mar-12	1:10
Standard Group	Apr-12	1:10
Kenya Re	Apr-12	1:6
Eaagads	Jul-12	1:1

Source: Capital Markets Authority

e. Stock Splits (2004 – 2012)

Table 6: Stock Splits 2004-2012

Company	Date (Month/Year)	Share Split Ratio
KenolKobil	Jun-04	10:1
EA Breweries	Aug-04	5:1
E.A. Cables	Aug-04	10:1
Centum	Oct-06	10:1
Barclays	Nov-06	1:5
Sasini	Dec-06	5:1
CMC Holdings	Jan-07	10:1
KCB	Mar-07	10:1
Nation Media Group	Mar-08	2:1
Equity Bank	Feb-09	1:10
Kenolkobil	May-10	10:1
KPLC	Oct-10	1:8
ARM	May-12	5:1

Source: Capital Markets Authority

f. Listed, Delisted and/or Suspended Companies

There were no de-listings during the quarter, but CMC Holdings remained suspended during the quarter, pending the resolution of corporate governance challenges.

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Table 7: Listed/Delisted/Suspended Companies

Year	Number of Listed Companies	Number of Delisted Companies	Number of Suspended Companies
2005	48	-	2 (BOC, Carbacid); Re-admitted 2009
2006	51	-	1 (Uchumi Supermarkets) -Re-admitted 2011
2007	54	-	-
2008	55	1 (Unilever Tea (K) Ltd.)	1 (A. Baumann)
2009	55	-	-
2010	55	-	-
2011	58	-	2 (CMC Holdings Limited); EAPCC (Re-admitted 2012)
2012	61	-	-

Source: Capital Markets Authority

1.2 Primary Bonds Market

a. Treasury Bonds

In Q4 2012, three (3) new Treasury bonds were issued as the Government sought to raise Sh39 billion. However, it ended up receiving Sh75.73 billion and accepted Sh37.74 billion. In the preceding quarter, the Government sought Sh35 billion but accepted Sh48.34 billion.

Table 8: Issued/Re-opened Bonds in the quarter to December 2012

Bond Issue	Tenor	Due Date	Offered (Kshs. M)	Bids (Kshs. M)	Accepted (Kshs. M)	Performance Rate	Coupon Rate	Average Yield*
Jul. 2012								
FXD 1/2012/5 (Re-opened)	5-year	22/05/2017	10.0	10.98	7.46	172.11%	11.85%	13.54%
FXD 1/2012/10 (Re-opened)	10-year	13/06/2022		6.23	5.04		13.55%	13.63%
Aug. 2012								
FXD 2/2012/2 (New Issue)	2-year	25/08/2014	10.0	30.30	16.31	303%	11.11%	11.64%
Sep. 2012								
FXD 1/2012/15 (New Issue)	15-year	06/09/2027	15.0	21.15	19.53	161%	11.00%	12.09%
Oct. 2012								
FXD 3/2012/2 (New Issue)	2-year	27/10/2017	12.0	25.12	13.79	209%	12.50%	13.16%
Nov. 2012								
FXD 1 /2012/20 (New Issue)	20-year	01/10/2032	12.0	12.72	3.17	106%	12.00%	14.22%
Dec. 2012								
FXD 4 /2012/2 (New Issue)	2-year	22/12/2014	15.0	37.89	20.78	253%	12.38%	13.01%

* Average yield has been taken to be equivalent to the market weighted average rate; Source: Central Bank of Kenya (CBK)

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a. Corporate Bonds

In the quarter, Centum issued a Sh3.2 billion bond that was listed on the Fixed Investment Market Segment of the NSE by way of Introduction. The bonds features are as follows:

- 13.75% Senior Unsecured Fixed Rate Notes due September 18, 2017;
- Senior Unsecured Equity Linked Notes due in September 18, 2017; and
- 13.50% Senior Unsecured Fixed Rate Notes and 12.75% Senior Unsecured Equity Linked Notes with a Green Shoe Option of Kenya Shillings One Billion (Kshs. 1,000,000,000).

Table 9: Corporate Bond Issues Jan. 2007- Dec. 2012

Issuer	Approved Amount (Kshsmn)	Issued Amount (Kshsmn)	Date of approval	Maturity	Outstanding (Kshsmn)	Yield (%)
PTA Bank (2007)	1,000	1,000	17-Sep-07	17-Sep-14	700.0	1% above the most recent average 182-day T-bill rate.
Barclays Bank K Ltd (1 st Tranche)	1,000	1,000	9-Oct-07	19-Nov-14	1,000.0	0.6% above the most recent average 91 day T-bill rate.
Barclays Bank (2 nd Tranche)	2,000	2,000	16-Jul-08	16-Jul-13	2,000.0	- Fixed rate of 0.75% above the spot 7-year Treasury yield rate, with an indicative fixed coupon rate of 11.5%. - Floating rate equivalent to the spot 182-day Treasury Bill yield rate plus a margin of 1%.
Mabati Rolling Mills	2,000	1,200	1-Sep-08	1-Sep-16	1,273.5	182 Day T-Bill rate + 1.75% re-priced semi-annually
Mabati Rolling Mills		800	1-Sep-08	1-Sep-16	726.5	FXD 13.00%
Shelter Afrique (New)	2,500	2,500	18-Aug-11	18-Aug-16	2,500.0	FR: 1.5% above the prevailing 182-day but capped at 13.5%. FXD 12.5%
CFC Stanbic (1 st Tranche FXR – Kshs 2.4b)		2,402	10-Jun-09	1-Sep-16	2,402.0	FXD: 12.5%
CFC Stanbic(1 st Tranche FLR – Kshs 0.098b)	5,000	97.9	10-Jun-09	1-Sep-16	97.9	FR: +1.75% above prevailing 182-day T-Bill rates
CFC Stanbic (2 nd Tranche)		2,500	17-Dec-10	17-Dec-14	2,500.0	FXD 7.5%
Safaricom* (1 st Tranche – Kshs 5b)	12,000	7,513	2-Oct-09	3-Nov-14	95.2 7,049.6	FR: T.B (182) + 1.85% FXD: 12.25%
Safaricom (2 nd Tranche – Kshs 4.5b)		4,500	30-Nov-10	30-Nov-15	200.0 4,287.0	FXD-7.75% FR 185 basis points above the prevailing 182 day TB rates
Housing Finance (1 st Tranche – Kshs. 7b)			20-Sep-10	20-Sep-17	5,865.4	FXD: 8.5%
	10,000	7,000	20-Sep-10	20-Sep-17	1,165.5	FR: 182 day + 3% with a floor of 5% and a cap of 9.5%
KenGen*	15,000	25,000	2-Nov-10	31-Oct-19	25,000.0	FXD 12.5%
Consolidated Bank (1 st Tranche – Kshs 2b)	4,000	2,000	30-Jul-12	22-Jul-19	1.0	Senior FR notes (182-day T-bill + 2%)
					1,481.6	Senior FXD notes (13.25%)

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					196.5	Subordinated FXD notes (13.60)
Centum	4,000	3,198.9	10-Sep-12	10-Sep-17	3,198.9	Senior unsecured FXD 13.5% Senior unsecured Equity-linked notes are at a fixed rate of 12.75 percent payable semi-annually. and will enjoy an equity upside linked to the growth of the Company's Net Asset Value subject to a maximum of 15% of the par value of the notes. The fixed rate notes constituted 57% of the amount raised while the equity linked notes were 43 % of the notes raised.
TOTAL	58,500	62,712			61,741	

Note: *The amount outstanding for KenGen is more than the approved amount due to the fact that the company exercised the "green-shoe" option. Source: Capital Markets Authority

Table 10: Corporate bonds holdings by category of investors in (%) as at December 2012

ISSUER	Banks	Ins.Com.	F/man.	Inv.Com. & Inst.	Individuals	Average yield (%)
Barclays Bank of Kenya Ltd Tranche 1	4.50%	2.50%	87.30%	5.00%	0.70%	9.75%
Barclays Bank of Kenya Ltd Tranche 2	3.05%	6.33%	72.49%	6.00%	12.14%	11.50%
PTA Bank Ltd 2007	16.80%	4.00%	79.20%	-	-	4.58%
Mabati Rolling Mills - Fixed	0.00%	24.78%	75.02%	0.00%	0.21%	13.00%
Mabati Rolling Mills - Floating	41.62%	1.96%	54.50%	0.00%	1.92%	17.04%
CFC Stanbic Bank Ltd Tranche 1 - Fixed	20.99%	15.91%	59.78%	0.00%	3.32%	12.50%
CFC Stanbic Bank Ltd Tranche 1 -Floating	0.00%	30.95%	67.97%	0.00%	1.08%	11.66%
CFC Stanbic Bank Ltd Tranche 2	19.85%	3.57%	76.57%	0.00%	0.01%	7.25%
Safaricom Ltd Tranche 1- Fixed	44.09%	4.40%	44.41%	0.00%	7.10%	12.25%
Safaricom Ltd Tranche 1- Floating	0.00%	0.00%	100.00%	0.00%	0.00%	17.21%
New Shelter Afrique Ltd - fixed	33.31%	17.17%	37.91%	0.00%	11.61%	12.50%
New Shelter Afrique Ltd - floating	57.88%	14.40%	27.59%	0.00%	0.13%	11.35%
Safaricom Ltd Tranche 2 - Fixed	43.62%	2.76%	52.99%	-	0.63%	7.75%
Safaricom Ltd Tranche 2 - Floating	0.00%	0.00%	100.00%	0.00%	0.00%	17.14%
HFCK Ltd Tranche 2 Fixed	22.16%	29.15%	46.49%	0.27%	1.93%	8.50%
HFCK Ltd Tranche 2 Floating	0.00%	0.00%	100.00%	0.00%	0.00%	9.50%
Kenya Electricity Generating Company Ltd	3.55%	3.21%	77.14%	3.67%	12.43%	12.00%
Consolidated Bank of Kenya	0.00%	10.43%	70.43%	11.04%	8.10%	-

Legend: Ins. Com. – Insurance Companies; F/man. – Fund Managers; Inv. Com & Inst. – Investment Companies & Institutions;
Source: Capital Markets Authority

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2.0 Secondary Market Performance

2.1 Equities

During Q4/2012, the market recorded improved performance relative to the preceding quarter. Average end-period market capitalization was 8.2% higher at Sh1,213 billion, against the Sh1,121 billion registered in the preceding quarter. The NSE 20-share index also registered a 5.9% increase, standing at 4121, against 3890 in Q3/2012. Share volume also rose by a significant 85.0% from 1,192.7 million shares in the preceding quarter to 2,206 million shares in Q4/2012. Following a similar trend was equity turnover, which rose by 35.9% from Sh21.5 billion to Sh29.2 billion in Q4/2012.

Table 11: Gross Stock Market statistics-Q3:2012/Q4:2012

	Q2 2012			Q3 2012		
	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012
End Month NSE 20-Share Index	3832	3866	3972	4147	4083	4133
NASI	83.3	85.0	87.4	92.0	92.0	95.0
Shares Volume Traded (Mn)	383.6	338.9	470.2	917.0	827.0	462.0
Equity Turnover (Kshs. Bn)	6.0	5.7	9.8	11.1	10.5	7.6
Bonds Turnover (Kshs. Bn)	34.2	86.9	95.9	73.0	39.0	27.0
End-Month Mkt. Cap (Kshs. Bn)	1,098.9	1,117.4	1,147.3	1,117.0	1,250.0	1,272.0

Source: NSE, Capital Markets Authority

Table 12: Key Market Performance Indicators: 2006 – 2012

YEAR	Month	Equity Turnover (KshsBn)	Share Volume (Mn)	Avg. NSE 20-Share Index	Avg. Market Cap (KshsBn)
2006	Jan to Dec	94.9	1,454.7	5,646	791.6
2007	Jan to Dec	88.6	1,938.2	5,445	851.1
2008	Jan to Dec	97.5	5,856.5	3,521	853.7
2009	Jan to Dec	38.2	3,169.1	3,247	834.2
2010	Jan to Dec	103.5	6,479.8	4,257	1,089.2
2011	Jan to Dec	78.1	5,684.7	3,751	1,035.8
2012*	Jan to Dec	86.8	5,464.2	3,736	1,072.9

Source: NSE, Capital Markets Authority

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Chart 2: Trends in Equity Turnover

i. QOQ Equity turnover trends

Source: NSE/Capital Markets Authority

Table 13: Top 10 Companies by Market Capitalization in Sh billion for Q4/2012

Listed Company	Oct/ 2012	Nov/2012	Nov/2012	Q4/2012 Average
EABL	189.8	195.3	209.6	198.2
SAFCOM	176.0	200.0	202.0	192.7
EQTY	89.8	89.8	87.9	89.2
KCB	88.4	88.4	88.4	88.4
BBK	85.8	85.8	85.5	85.7
SCHRT	65.5	70.5	72.7	69.5
BAMB	64.2	64.2	67.1	65.2
CO-OP	52.6	52.6	52.8	52.7
BAT(K)	46.7	45.6	49.3	47.2
NMG	35.5	35.5	34.9	35.3
Top 10 Co.s Total Mkt Cap	894.3	927.7	950.2	
End-month total Mkt Cap	1,217.1	1,250.6	1,272.0	
Mkt. Concentration	73.5%	74.2%	74.7%	

Table 14: Top 10 Companies by Equity Turnover in Sh billion (Q4/2012)

Listed Company	Oct/ 2012	Nov/2012	Dec/2012	Q4/2012 Average Mkt. Turnover
EABL	2.96	1.42	1.58	1.99
SCOM	0.40	2.42	1.51	1.44
KCB	1.56	1.35	0.52	1.15
EQTY	1.38	1.29	0.55	1.07
BAMB	0.52	0.13	1.05	0.56
BAT	0.72	0.22	0.22	0.39
KPLC	0.36	0.56	0.12	0.35
COOP	0.34	0.25	0.18	0.25
KENO	0.14	0.35	0.22	0.24
UCHM	0.29	0.29	0.11	0.23

Source: NSE/Capital Markets Authority

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Table 15: Top 10 Companies by Liquidity Ratio Q4/2012

Company	End –period Market Cap (Kshs Billions)	Total Turnover (Kshs Billions)	Liquidity Ratio (%)
UCHM	5.07	0.69	13.58%
ACCS	0.92	0.09	9.75%
KUKZ	1.41	0.10	7.14%
MSC	7.42	0.44	5.98%
CITY	2.23	0.13	5.88%
KCB	88.36	3.44	3.89%
WTK	1.75	0.07	3.79%
EQTY	87.94	3.22	3.66%
KENO	19.94	0.71	3.55%
HFCK	3.64	0.12	3.41%

Source: Capital Markets Authority

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2.2 Bonds

Table 16: Bond Turnover Annual Comparisons 2006 – 2012*

YEAR	PERIOD	Bond Turnover (KshsBn)
2006	Jan to Dec	48.6
2007	Jan to Dec	84.9
2008	Jan to Dec	95.3
2009	Jan to Dec	110.6
2010	Jan to Dec	479.1
2011	Jan to Dec	445.8
2012	Jan to Dec	566.5

Source: Source: NSE, Capital Markets Authority

Sh139 billion worth of bonds was traded in the quarter to December 2012, compared to Sh216.9 billion worth of bonds traded during Q3/2012, a 35.9% decrease. In terms of year-on-year comparisons, the Sh566.5 billion bond turnover was 27% above the total bond turnover registered in 2011.

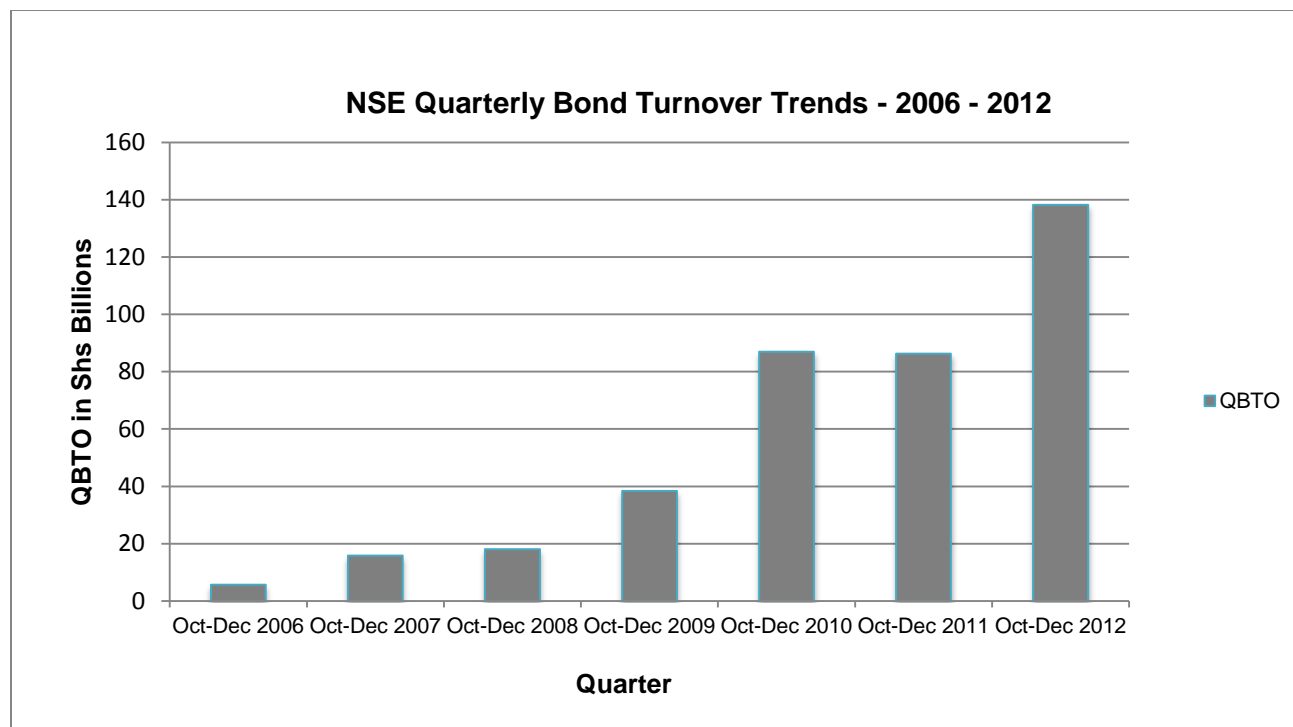
Table 17: Quarterly Bond Turnover Trends (Oct. – Dec.) 2006-2012

YEAR	Month	Bond Turnover (Sh Bn)
2006	Oct to Dec	5.7
2007	Oct to Dec	15.8
2008	Oct to Dec	18.1
2009	Oct to Dec	38.4
2010	Oct to Dec	87.0
2011	Oct to Dec	86.3
2012	Oct to Dec	138.2

Source: NSE, Capital Markets Authority

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Chart 3: Quarterly Bond Turnover (Oct. – Dec.) 2006-2012



Source: Capital Markets Authority

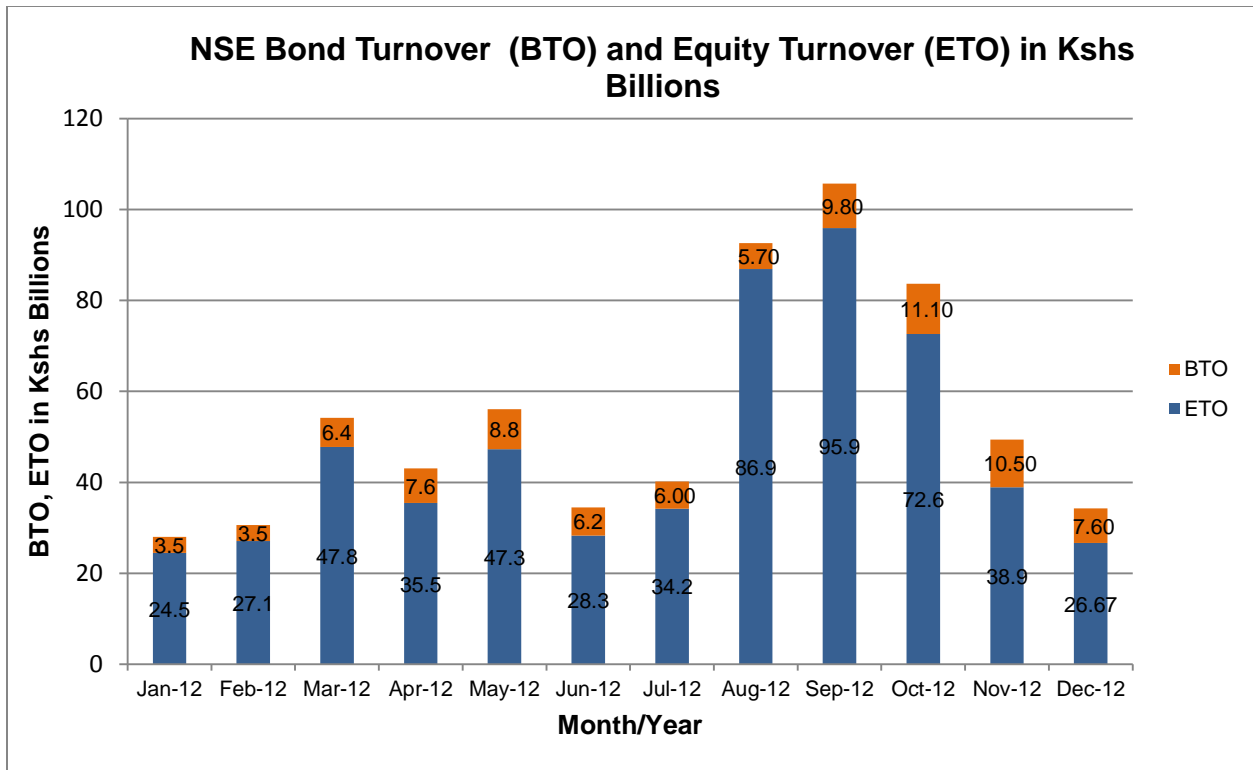
Table 18: Issued Bonds: Q1/2012– Q4/2012

Month	Government Bond Turnover (Kshs bn)	Corporate Bond Turnover (Kshs bn)	Total Bond Turnover (Kshs bn)
Q1/2012			
January	24.18	0.33	24.51
February	26.67	0.45	27.12
March	47.12	0.70	47.81
Q2/2012			
April	35.42	0.08	35.50
May	47.34	0.01	47.34
June	28.14	0.12	28.26
Q3/2012			
July	34.13	0.04	34.17
August	86.88	0.04	88.92
September	95.85	0.01	95.87
Q4/2012			
October	72.56	0.04	72.60
November	38.89	0.01	38.90
December	26.65	0.03	26.67

Source: NSE

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Chart 4: Trends in Bond Vs Equity Turnover in 2011/12



Source: Source: NSE, Capital Markets Authority

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3.0 Investor Profiles at the Nairobi Securities Exchange

Table 19: Investor Equity Holdings & Corporate Bonds Amount Outstanding (Q4/2012)

Equities				
Account Type	Category of Investor	No. of Investors	No. of Shares held	% of shares held
EC	East African Corporate	240	502,818,598	1.55%
EI	East African Individuals	5,454	157,619,282	0.49%
FC	Foreign Corporate	338	12,956,587,752	40.02%
FI	Foreign Investors (Individuals)	3,872	231,583,018	0.72%
LC	Local Corporate	37,535	11,035,240,413	34.09%
LI	Local Individuals	859,423	7,491,561,632	23.14%
Corporate Bonds				
Account Type	Category of Investor	No. of Investors	Amount Outstanding in Kshs. Bn	% of total outstanding
EC	East African Corporate	2	128,750,000	0.32%
EI	East African Individuals	4	2,887,500	0.01%
FC	Foreign Corporate	3	227,387,500	0.56%
FI	Foreign Investors (Individuals)	73	240,970,833	0.60%
LC	Local Corporate	778	36,902,991,031	91.53%
LI	Local Individuals	2,367	2,813,243,000	6.98%

Source: NSE

Note: Holdings at CDSC keep changing from time to time and may be different from those in the registrar records submitted to CMA

Source: CDSC

Table 20: Investor Equity & Corporate Bond trading Statistics (Oct.2012 – Dec. 2012)

Account Type	Investor Category	Equities % trading market share	Corporate Bonds % trading market share	Equities % trading market share	Corporate Bonds % trading market share
		July 2012- Sept. 2012		Oct. 2012- Dec. 2012	
BR	Brokers	0.24%	-	0.19%	-
CU	Custodians	-	-	-	-
EC	East African Corporate	0.35%	-	0.09%	-
EI	East African Individuals	0.27%	-	0.18%	-
FC	Foreign Corporate	42.56%	-	52.57%	-
FI	Foreign Investors (Individuals)	0.90%	0.05%	1.12%	0.59%

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Account Type	Investor Category	Equities % trading market share	Corporate Bonds % trading market share	Equities % trading market share	Corporate Bonds % trading market share
		July 2012- Sept. 2012		Oct. 2012- Dec. 2012	
LC	Local Corporate	24.24%	93.24%	27.18%	76.67%
LI	Local Individuals	19.15%	5.31%	18.66%	24.74%

Table 21: Number of Accounts Opened 2008 - 2012

Client Type		2008	2009	2010	2011	2012*
EC	East African Corporate	342	13	49	17	22
EI	East African Individuals	7,986	79	92	108	96
FC	Foreign Corporate	222	144	621	409	414
FI	Foreign Investors (Individuals)	2,586	334	440	338	300
LC	Local Corporate	109,533	2,143	3,981	1,229	877
LI	Local Individuals	843,979	52,836	120,756	31,607	19,473
	TOTAL	964,648	55,549	125,939	33,708	21,182

EC- East African Company; EI-East African individual; FC-foreign Company; FI-foreign individual; LI-local individual; LC-local Company; source CDSC

A total of 4,509 new CDS accounts were opened in Q4/2012, compared to 6,043 new CDS accounts opened in Q3/2012 and 6,498 CDS accounts opened in Q2/2012. In the whole of 2012, 21,182 CDS accounts were opened.

Table 22: Equity Investors according to Gender as at Dec. – 2012

Gender	Apr.-Jun 2012		July-Sept. 2012		Oct – Dec.– 2012	
	No. of Investors	Share Qty Held	No. of Investors	Share Qty Held	No. of Investors	Share Qty Held
F	272,638	1,494,726,114	272,082	1,518,426,440	270,807	1,500,888,573
M	573,758	5,995,321,341	572,005	6,080,416,825	568,412	5,974,745,331
TOTAL	846,396	7,490,047,455	844,087	7,598,843,265	839,219	7,475,633,904

Source CDSC

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Table 23: Corporate Bond Investors according to Gender as at Dec. – 2012

Corporate Bond Investors - (Oct. - Dec. 2012)		
Gender	No. of Investors	Amount Outstanding
F	631	364,180,151
M	1,670	1,969,676,547
TOTAL	2,301	2,333,856,698

Note: Figures for Male and Female exclude Corporate institutions' statistics
Source: CDSC

Table 24: Share pledges as at Dec. – 2012

Share Pledges		
	No. of Investors	Quantity Pledged
Number of Share Pledges	51,810	2,708,796,714
TOTAL	51,810	2,708,796,714

Table 25: Shareholding per listed company as at December 2012

Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
AGRICULTURAL								
Eaagads AIMS	Dec.	32,157,000	7,714,400	23.99	4,055,704	12.61	20,386,496	63.40
Kakuzi	Dec.	19,599,999	7,093,817	36.20	6,778,538	34.58	5,727,644	29.22
Kapchorua Tea AIMS	Dec.	3,912,000	1,081,014	27.63	681,041	17.41	2,149,945	54.96
Limuru Tea AIMS	Dec.	1200000	10,278	0.86	348042	29.00	841,680	70.14
Rea Vipingo	Dec.	60,000,000	34,738,140	60.86	18,805,917	31.34	4,677,801	7.80
Sasini	Dec.	165,298,964	2,456,390	1.08	60,283,946	26.43	165,298,964	72.48
Williamson AIMS	Dec.	8,756,320	4,909,419	56.07	2,302,449	26.29	1,544,542	17.64
AUTOMOBILES & ACCESSORIES								
Car & General	Dec.	33,419,424	355,996	1.07	7,234,501	21.65	25,828,927	77.29
CMC Holdings	SUSPENDED	582,709,440	10,775,339	1.85	210,046,657	36.05	361,887,444	62.10
Marshalls (E.A.)	Dec.	14,393,106	739,494	5.14	2,352,174	16.34	11,301,438	78.53
Sameer Africa	Dec.	278,342,393	48,642,393	17.47	51,158,868	18.38	178,541,132	64.14
BANKING								
Barclays Bank	Dec.	5,431,536,000	3,882,025,103	71.48	892,190,646	16.43	657,320,251	12.10
CFC Stanbic Holdings	Dec.	273,684,211	295,897,313	74.85	14,574,029	3.69	84,850,296	21.46
Diamond Trust Bank	Dec.	220,100,096	117,915,122	53.57	46,059,250	20.93	46,059,250	20.93
Equity Bank	Dec.	3,702,777,020	1,720,899,758	46.48	657,344,192	17.75	1,324,533,070	35.77
HFCK	Dec.	230,500,000	3,944,420	1.71	65,999,897	31.21	154,679,425	67.07
Kenya Commercial	Dec.	2,970,340,356	661,890,658	22.28	775,767,559	26.12	1,532,682,139	51.60
National Bank	Dec.	280,000,000	937,300	0.33	211,962,064	75.69	67,100,636	23.96

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Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
NIC Bank	Dec.	542,984,148	10,135,459	1.87	107,524,009	19.80	425,317,771	78.33
Standard Chartered	Dec.	309,159,514	231,995,040	75.01	35,761,573	11.57	41,402,901	13.39
The Co-op Bank	Dec.	3,492,369,900	103,622,159	2.47	824,490,029	19.67	3,262,731,110	77.85
COMMERCIAL AND SERVICES								
Express Kenya AIMS	Dec.	35,403,790	316,800	0.90	10,920,355	30.85	24,166,635	68.26
Hutchings Biemer	SUSPENDED	-	-	-	-	-	-	-
Kenya Airways	Dec.	1,496,469,034	667,747,121	44.62	174,437,269	11.66	654,284,644	43.72
Nation Media Group	Dec.	157,118,572	74,984,469	47.72	46784869	29.78	35,349,234	22.50
Scangroup	Dec.	284,789,128	170,729,454	59.95	68,903,698	24.20	45,155,976	15.86
Standard Group	Dec.	81,731,808	56,884,059	69.60	5,819,001	7.12	19,028,748	23.28
TPS Eastern Africa	Dec.	148,210,640	80,444,877	54.28	16,694,765	11.26	51,070,998	34.46
Uchumi	Dec.	265,424,636	45,457,566	19.13	118,651,101	47.70	101,316,869	38.17
Longhorn Kenya Ltd	Dec.	58,500,000	-	0.00	18,611,290	31.81	39,888,710	68.19
CONSTRUCTION & ALLIED								
Athi River Mining	Dec.	99,055,000	121,296,645	24.49	124,762,690	25.19	249,215,665	50.32
Bamburi Cement	Dec.	362,959,275	251,225,443	69.21	12,189,164	3.36	99,544,668	27.43
Crown Berger Kenya	Dec.	23,727,000	4,819,775	20.31	5,212,564	21.97	13,694,661	57.72
E.A. Cables	Dec.	253,125,000	2,319,868	0.92	55,287,013	21.84	195,518,119	77.24
E.A. Portland Cement	Dec.	90,000,000	26,694,582	29.66	1,508,718	1.68	61,796,700	68.66
ENERGY & PETROLEUM								
KenGen	Dec.	2,198,361,456	26,641,402	1.21	367,017,820	16.70	1,804,702,144	86.51
KenolKobil	Dec.	1,471,761,200	625,665,987	42.51	123,000,859	8.36	723,094,354	49.13

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Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
Kenya Power	Dec.	1,736,787,373	154,684,489	8.91	210,712,664	12.13	1,586,069,892	91.32
Total Kenya	Dec.	629,542,458	592,492,430	94.11	30,190,946	4.80	6,859,082	1.14
INSURANCE								
CFC Insurance Holdings	Dec.	515,270,364	301,523,320	58.52	14,348,551	2.79	199,398,493	38.70
Jubilee Holdings	Dec.	45,000,000	32,141,562	53.66	22,644,116	37.81	5,109,322	8.53
Kenya Re Insurance	Dec.	700,000,000	15,503,475	2.21	117,900,601	16.50	569,019,148	81.29
Pan Africa Insurance	Dec.	96,000,000	1,506,262	1.57	33,247,555	34.63	61,246,183	63.80
British-American Investments	Dec.	2,150,000,000	862,674,000	40.12	638,587,580	29.70	648,738,420	30.17
CIC Insurance	Dec.	2,179,615,440	3,709,600	0.17	500,860,980	22.98	1,675,044,860	76.85
INVESTMENT								
Centum Investment	Dec.	665,441,714	16,773,594	2.52	321,360,893	48.29	327,307,227	49.19
City Trust Ltd AIMS	Dec.	5,728,001	427,994	0.07	1,806,303	31.53	3,493,704	60.99
Olympia Capital	Dec.	40,000,000	302,800	0.75	17,979,183	44.95	21,718,017	54.30
Trans-Century AIMS	Dec.	273,950,284	18,557,094	6.77	231,280,107	84.42	24,113,083	8.8
MANUFACTURING & ALLIED								
A.Baumann& Co AIMS	SUSPENDED	-	-	-	-	-	-	-
B.O.C Kenya	Dec.	19,525,446	12,941,384	66.28	2,195,649	11.25	4,388,413	22.48
BAT	Dec.	100,000,000	74,134,773	76.16	6,908,266	6.91	16,940,655	16.94
Carbacid Investments	Dec.	33,980,265	3,024,502	8.9	16,132,122	47.47	14,823,641	43.62
East African Breweries	Dec.	790,774,356	227,439,263	28.76	107,007,845	13.53	456,327,248	57.71
Eveready East Africa	Dec.	210,000,000	22,615,143	10.77	66,893,605	31.85	120,491,252	57.38
Kenya Orchards Ltd	Dec.	12,868,124	4,343	0.03	6,381,128	49.59	6,482,653	50.38

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Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
Mumias Sugar	Dec.	1,530,000,000	102,004,340	6.67	773,872,950	50.58	654,122,710	42.75
Unga Group	Dec.	75,708,873	3,203,214	4.24	29,358,110	38.77	43,147,549	56.99
TELECOMMUNICATION & TECHNOLOGY								
AccessKenya	Dec.	218,038,493	43,050,576	22.50	125,920,953	57.75	43,050,576	19.74
Safaricom	Dec.	40,000,000,000	4,755,910,020	11.89	2,394,331,728	5.99	32,849,758,252	82.12
FIXED INCOME SECURITIES MARKET SEGMENT								
PREFERENCE SHARES								
Kenya Power & Lighting Ltd 4% Pref. 20.00	Dec.	1,800,000	83,162	4.62	637,696	35.43	1,072,702	59.59
Kenya Power & Lighting Ltd 7% Pref 20.00	Dec.	350,000	15,418	4.4	100,049	28.59	234,533	67.01

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Table 26: Trends in Investor Holdings at the NSE as at December (2004 – 2012)

Type of Investor	2004	2005	2006	2007	2008	2009	2010	2011	2012
E.A. Institutions (%)	47.4	51.2	52.8	54.5	77.2	74.2	73.6	68.33	66.70
E.A. Individuals (%)	22.8	22.5	21.6	26.9	14.9	15.7	13.8	12.23	12.01
Foreign Investors (%)	29.8	26.3	25.6	18.6	7.9	10.1	12.6	19.44	21.29

*As at September; Source: CMA

Table 27: Trends in Foreign institutional and Local Equity Investor participation at the NSE in 2011/12

Quarter	Month/Year	Foreign Investor Purchases	Foreign Investor Sales	Equity Turnover	Participation of Foreign Investors
		Kshs. Millions	Kshs. Millions	Kshs. Millions	%
Q1/2012	Jan	1,118	1,930	3,544	43.00%
	Feb	1,999	1,204	3,493	45.85%
	Mar	3,860	1,209	6,386	39.69%
Q2/2012	Apr	4,912	3,141	7,640	52.70%
	May	5,141	4,042	8,815	52.09%
	Jun	3,880	2,241	6,214	49.25%
Q3/2012	Jul	3,134	2,306	6,038	45.05%
	Aug	3,327	2,279	5,681	49.34%
	Sep	6,717	3,431	9,781	51.88%
Q4/2012	Oct	7,603	4,638	11,082	55.23%
	Nov	7,062	2,727	10,537	46.45%
	Dec	5,579	3,450	7,582	59.54%

Source: NSE

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Table 28: Remittances to Kenya 2012 (USD '000')

Year	2006	2007	2008	2009	2010	2011	2012*
January	31,506	40,930	53,925	39,535	45,117	64,139	89,755
February	30,283	39,533	50,382	53,353	46,423	60,759	103,970
March	36,354	48,562	59,344	55,361	52,309	71,557	106,399
April	35,369	38,251	67,872	48,117	52,679	70,071	95,625
May	42,427	41,163	48,538	49,180	51,172	68,124	100,995
June	35,667	48,643	49,490	46,347	52,541	71,888	99,488
July	41,065	53,350	44,137	50,372	50,652	72,797	92,736
August	30,587	58,803	43,388	55,947	51,993	79,563	94,819
September	28,841	60,575	48,953	53,347	58,557	84,854	92,519
October	29,633	46,848	61,113	53,037	58,503	81,311	91,627
November	31,403	55,564	43,970	48,231	56,400	80,802	97,504
December	34,459	41,421	40,129	56,329	65,617	85,244	105,656
Annual Total	407,593	573,643	611,241	609,156	641,943	891,109	1,171,093

Source: CBK

Remittances in the third quarter of 2012 stood at USD 294.79 million, a 5% increase on the USD 280.07 million in the preceding quarter. On a year-to-year basis, total annual remittances in 2012 were 31% higher than the total remittances in 2011. The main source jurisdictions still remain North America and UK.

Table 29: Foreign Investor Net Cash Inflow Activity (Shs Millions)

	2009	2010	2011	2012
January	(342)	2,517	1,987	(812)
February	66	489	622	795
March	329	1,998	1,552	2,651
April	49	151	(3,024)	1,771
May	496	(325)	(3,334)	1,099
June	884	1,601	(1,597)	1,639
July	791	1,159	1,173	828
August	861	471	621	1,048

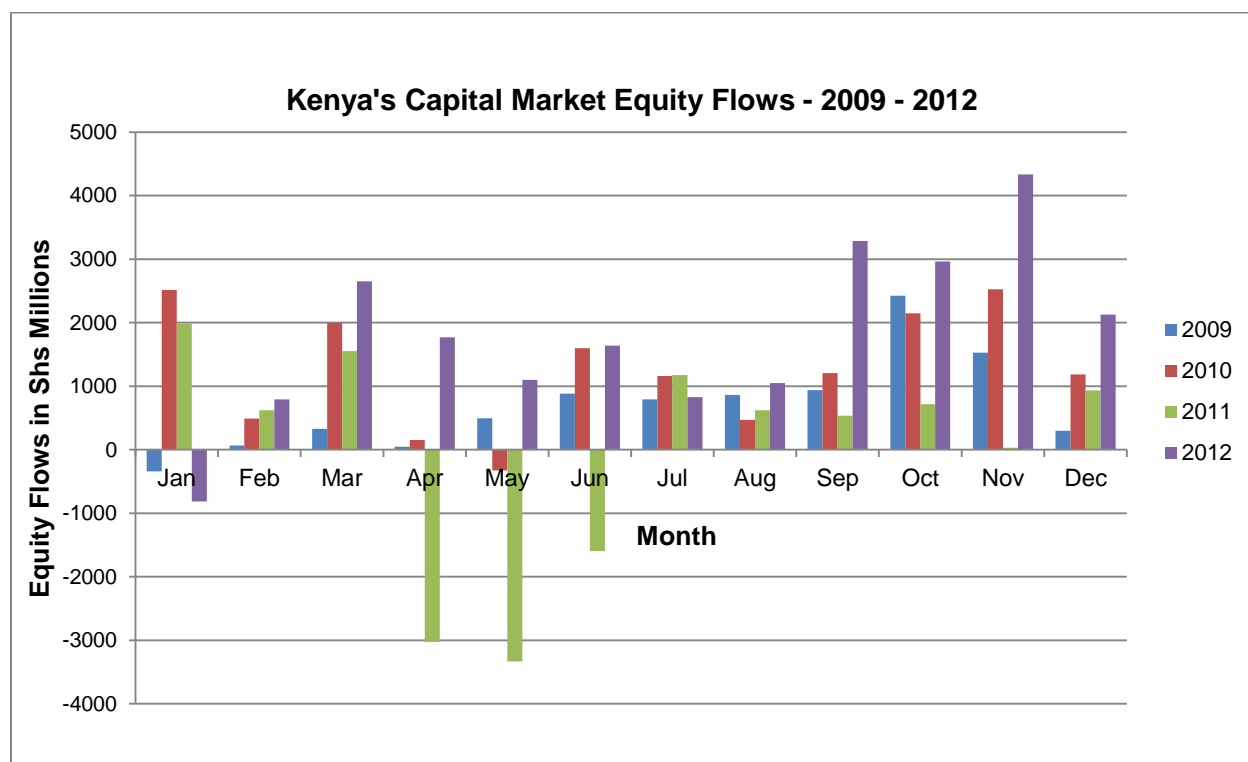
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	2009	2010	2011	2012
September	937	1,206	535	3,286
October	2,425	2,147	719	2,965
November	1,528	2,526	31	4,335
December	300	1,186	935	2,129
NET CASH INFLOW	<u>8,324</u>	<u>15,126</u>	<u>220</u>	<u>21,734</u>

Source: NSE

Total net foreign portfolio inflow improved further during the fourth quarter, with total inflow rising to Sh9,429 million, up from Sh5,162 million registered in the preceding quarter. This was an 82% improvement. On an annual basis, net inflows rose substantially from Sh220 million in 2011 to Sh21,734 million.

Chart 5: Trends in Foreign Investor Cash Inflows – [2009 – 2012]



Source: Capital Markets Authority

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4.0 Corporate Actions

Corporate Actions (Jan. 2012 – Dec. 2012).

Company	Announcement Date	Corporate Action	Dividend(Kshs)/Bonus/Split
DTBK	01-03-12	Rights	1:8 (STA)
DTBK	01-03-12	1st and Final	1.70
KCB	01-03-12	1st and Final	1.85
BOC	02-03-12	Final	4.80
Equity Bank	08-03-12	1st and Final	1.00
Co-op Bank	08-03-12	Bonus	1:5 (STA)
Co-op Bank	08-03-12	Final	0.40
StanChart	13-03-12	Final	11.00
AccessKenya	14-03-12	Bonus	1:20 (STA)
Nation	15-03-12	Final	6.50
TPS	15-03-12	Final	1.30
National Bank	19-03-12	1st and Final	0.40
Carbacid	20-03-12	Interim	3.00
BAT	22-03-12	1st and Final	0.15
EA Cables	23-03-12	Final	0.50
TransCentury	23-03-12	Final	0.25
Kenya Airways	26-03-12	Rights Issue	16:5
Limuru	27-03-12	Final	7.50
ARM	28-03-12	Final	2.00
Jubilee	30-03-12	Bonus	1:10 (STA)
Jubilee	30-03-12	Final	4.50
Standard Group	04-04-12	Bonus	1.10
Scangroup	18-04-12	1st & Final	0.70
Sameer	09-02-12	1st & Final	0.20
Kenya Re	24-04-12	Bonus	1:6
Crown Paints	25-10-12	Dividend	1.25
Safaricom	10-05-12	Dividend	0.22
Athi River Mining	14-05-12	Share Split	5:1
Kenya Airways	14-06-12	1st & Final	0.25
Olympia Capital	19-07-12	1st & Final	0.10

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Company	Announcement Date	Corporate Action	Dividend(Kshs)/Bonus/Split
Eaagads	24-07-12	1st & Final	1.25
Mumias	31-08-12	1st&Final	0.50
KenGen	27-09-12	1st&Final	0.60
Unga group	28-09-12	1st&Final	0.75
Uchumi	17-10-12	1st&Final	0.30
Carbacid	23-10-12	Final	3.00
Kenya Power	27-10-12	Final	0.30
Sameer Africa	26-11-12	Interim	0.25
EA Cables	26-11-12	Interim	0.40
Sasini	20-12-12	Final	0.25
Car & General	21-12-12	Final	0.55

STA – Subject to approval

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5.0 Major Local and International Economic Developments

1. Domestic Capital Markets

- **Demutualization of the Nairobi Securities Exchange (NSE)**

The legal framework necessary for facilitation of the demutualization of the NSE was gazetted in August 2012, vide Kenya Gazette Notices Nos. 87 and 88 of August 2012.

(a) Capital Markets (Demutualization of the Nairobi Securities Exchange) Regulations, 2012; and

(b) Capital Markets (Licensing Requirements) (General) (Amendment) Regulations, 2012.

These gazetted regulations will complement the amendments to the Capital Markets Act as promulgated in 2010 to anchor the demutualization process. The Authority is coordinating with the NSE to finalize of the remaining steps necessary for approval of a demutualized exchange.

- **Bond Market Reforms**

The Capital Markets Act was amended in 2011 to facilitate on-going reforms in the bond markets sector, more particularly to allow for the introduction of a hybrid bond market in Kenya. The Authority through technical assistance from IFC/ESMID secured the services of a consultant who helped design the operational framework for implementing the hybrid bonds market.

The requisite amendments to the Regulations to facilitate the licensing of Authorised Securities Dealers (ASDs) have been prepared and submitted to the Minister for Finance for gazettelement. ASDs are the licensed category specifically designed to actively participate in the bond market segment.

Additionally, the draft guidelines for the regional bond issuance framework that were agreed upon in the 35th EASRA consultative meeting were developed into amendments to the Capital Markets (Securities) (Public Offers, Listing and Disclosure) Regulations, 2002 which were subsequently submitted to the Minister in June 2012 and are currently awaiting gazettelement.

- **Futures Market**

The Authority already identified a long-term consultant ho whose key tasks include: in proposing an additional relevant regulatory framework; operationalizing the Futures Unit; organizing capacity building and sensitization programs and spearheading linkage of the spot commodity market with the futures and derivatives market. The consultant will commence work at the

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Authority in January 2013 and will engage with key stakeholders in the commodity futures industry.

- **Establishment of a Small and Medium sized Enterprises (SME) market segment**

The Authority in collaboration with the Nairobi Securities Exchange (NSE) and Central Depositories and Settlement Corporation (CDSC) developed the necessary framework to facilitate listing by Small and Medium Enterprises (SMEs) on the Growth Enterprise Market Segment (GEMS) at the NSE. This necessitated amendments to the Public Offers Listings and Disclosures Regulations gazetted in June, 2012. The SME Market is intended to

- i. Broaden the shareholder base in addition to giving existing shareholders an exit route from the listed company;
- ii. Provide an objective market valuation for SMES through market price discovery; and
- iii. Reward and encourage employees of SME firms through the introduction of share incentive schemes.

- **Launch of FTSE NSE Kenya Index series**

In early October 2012, Financial Times and the London Stock Exchange (FTSE) Group and the Nairobi Securities Exchange (NSE) launched the first independently calculated Kenyan sovereign benchmark debt index, underscoring the increasing investor interest in the country. The index would also serve as the basis of financial products in the future, including ETFs.

- **Real Estate Investment Trusts (REITs)**

The Authority has finalized drafting the policy and regulatory framework that will facilitate the introduction of Real Estate Investment Trusts (REITs) in Kenya. The structure of REITs in Kenya has been designed to ensure that;

- i. Additional products are introduced to encourage and mobilise savings into the real estate sector of the economy with housing as a priority area;
- ii. Make available additional capital markets instruments to both retail and institutional investors to invest in and diversify their risks.

The REITs proposed to be introduced in Kenya will be in the form of a two-tier product; that is Income REITs (I-REITs) – that will primarily be investments in income producing real estate assets; and Development and Construction REITs (D-REITs) that will engage in investments in development and construction activities for; (i) buy to let; (ii) to let, hold to let or sale; (iii) tenant purchase; or (iv) a combination of any of the above.

The REITs Regulatory framework, that is, the draft Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations 2012 was submitted to the Minister for

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Finance in 2012 for consideration and gazette. The Income Tax Act, Cap 470, Laws of Kenya was amended in 2012 in order to ensure that REITs structures provide the necessary tax neutrality.

- **Risk Based Supervision (RBS)**

The Authority is in the process of installing an information system to support the implementation of Risk Based Supervision. Currently the system developers are on the ground and working with the Authority's team towards developing an ideal system suitable to CMA's needs. The system will facilitate online reporting for both listed companies and CMA licensees as well as calculating the capital adequacy levels for licensees.

The Authority also began the process of reviewing the risk-profiling tool for investment banks and stockbrokers with the aim of formulating a risk profiling tool for Fund Managers and this should be completed before the end of the second quarter of 2013.

The Financial Resources Requirements (FRR) regulations as well as the draft amendments to the Capital Markets (Licensing Requirements) (General) Regulations, 2002 were submitted to the Ministry of Finance for approval and are still awaiting gazette.

- **New Surveillance System**

The Authority commenced the implementation of a new surveillance system to enhance oversight responsibilities. The first phase of system implementation that included gap analysis, project initiation, customization, prototype testing and inauguration was completed and launched in June 2012. The second phase of system implementation that includes delivery of the hardware, configuration & system deployment, training, customization, user acceptance testing and go-live/commissioning is on-going.

- **Investor Education and Public Awareness**

During the months from October to December 2012, the Authority embarked on the following key investor education initiatives among others:

- **MOU with the The Association of Chartered Certified Accountants (ACCA)**

In an effort to promote excellence in financial journalism in Kenya, the Authority and ACCA signed a Memorandum of Understanding (MoU) on November 27th, 2012 to work together on several investor education initiatives for a period of two years. The main objective of the MoU is to enhance financial literacy in Kenya through various programmes targeting different stakeholders.

Under the MOU the ACCA and the CMA will collaborate on initiatives such as: Promoting excellence in financial Journalism in Kenya by hosting training sessions with a view to enhancing the capacity of the media to understand and interpret financial statements and

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reports; Enhancing financial reporting among investment clubs; Collaboration on Joint publications and research on financial markets with a view of creating financial quick reference brochures and handbooks that can be distributed to the various constituents in the financial market such as the youth, investment clubs, professionals, institutions, etc; and Leveraging technology by collaborating on joint web based mediums of communication.

- **Stakeholder Engagements**

The Authority held a workshop for the Directorate of Public Prosecutions, The Police and Other Law Enforcement officers on 30th, October, where Over 100 participants attended. The one day workshop sensitized the participants on capital markets issues. Other activities included; a workshop on December 5th, 2012 for prospective issuers, investment banks, and stockbrokers and some select Accounting and Law firms on debt and equity issuances as well as sensitizing the attendants on the approval requirements and process; and a presentation on REITS at a workshop hosted by the Kenya Association of Investment Groups (KAIG). There were also a number of engagements with universities with a view to educating students on the capital markets as an avenue for resource mobilization.

- **Special Projects**

- i. **Launch of Capital Markets Master Plan Steering Committee**

The Authority in collaboration with industry stakeholders resolved to develop a Capital Markets Master Plan (CMMP) for Kenya's securities market, with a view to detailing a comprehensive vision and road map for the development of the industry. Following the above resolution, the Authority through a consultative process identified 16 members to the committee comprising of high-level professionals from the financial sector and subsequently facilitated its launch on 16th October 2012. The CMMSC has since begun its work.

- ii. **Enterprise Risk Management Project**

The ground work for the development of an Enterprise Risk Management (ERM) Framework for the Authority was laid out in the year. Towards this goal, the Board of the Authority adopted a Risk Management Framework for the Authority. In this regard, a Risk Management Committee has been appointed as well the development of an ERM reporting matrix. This reporting tool is currently being piloted.

- iii. **Islamic Capital Markets**

The Authority held a high level stakeholder meeting in November 2012 designed to increase awareness on the potential issuance of Sukuk products as a means of alternative financing for infrastructure development.

- iv. **Training and Capacity Building - Sensitization workshop on Corporate Governance and Conduct of Business Regulations and credit rating**

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The Authority conducted sensitization workshops for all its licensed intermediaries mainly focusing on the new regulations on Corporate Governance and Business Conduct Regulations that came into effect on October 14, 2012. In addition, the intermediaries were trained on credit rating, facilitated by Standard and Poor's (S&P), given that they are mainly the transaction advisors and would require to complement their skills, in a forum that also attracted Public and private Bond issuers.

2. International Economic Developments

USA

The U.S. economy shrank in the fourth quarter of 2012 for the first time since the recession. Gross domestic product contracted by a 0.1% annual rate, down from 3.1% growth in the third quarter, based on the first of three readings by the Commerce Department. The fourth-quarter retreat mostly stemmed from lower inventories and a plunge in military spending.

Source: http://articles.marketwatch.com/2013-01-30/economy/36625605_1_gdp-report-neil-dutta-global-economy

Euro-zone

According to Eurostat, the euro-zone economy shrank by 0.1 percent in the third quarter of 2012, confirming its original estimate that showed the bloc had fallen back into recession. After output fell 0.2 percent in the second quarter, the zone met the standard definition of a recession being two consecutive quarters of contraction. Compared with a year earlier, Eurostat said the euro-zone economy shrank 0.6 percent in the third quarter while the EU 27 was down 0.4 percent, after falls of 0.5 percent and 0.3 percent respectively in the second quarter. The EU's largest economy Germany, and France, both grew 0.2 percent in the third quarter while Spain contracted 0.3 percent and Italy dropped 0.1 percent. Non-euro Britain posted a sharp gain of 1.0 percent, boosted by the London Olympic Games.

Source: <http://www.chinapost.com.tw/business/europe/2012/12/07/363326/Eurozone-economy.htm>

China

Latest Q3 results show that the world's second-largest economy expanded at its slowest pace since 2009 during the third quarter of 2012 — though strong data for the month of September also showed that the deceleration may have come to an end. A weak global environment has,

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weighed on China's export sector, slowing China's economy. Government policies aimed at combating inflation and soaring property prices in 2010 and 2011 also have slowed growth.

The economy expanded by 7.4 percent in the third quarter, compared with a year earlier. The figure which was below the 7.6 percent growth reported in the second quarter, was the slowest pace of growth since early 2009, when the global economy was still reeling from the financial crisis.

http://www.nytimes.com/2012/10/18/business/global/china-reports-slower-growth-but-sees-signs-of-a-revival.html?_r=0

Africa

According to the International Monetary Fund (IMF), in 2012, Africa experienced slower growth along with most other countries around the world as the euro-zone crisis dampened global demand and higher food prices weighed on food-importing countries in the region. In its latest World Economic Outlook, the IMF shaved its 2012 projections for Africa to 5 percent from 5.4 percent. However, it revised up its 2013 outlook to 5.7 percent from 5.3 percent. The Fund said spillovers from the euro zone crisis into Africa have so far been modest except for South Africa, which has close financial and trading ties with Europe.

Source: <http://www.reuters.com/article/2012/10/09/ozatp-imf-africa-idAFJOE89800920121009>

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APPENDICES

i. Nairobi Securities Exchange Listed Companies

AGRICULTURAL	COMMERCIAL AND SERVICES	INSURANCE
<i>Eaagads Ltd Ord 1.25 AIMS</i>	<i>Express Kenya Ltd Ord 5.00 AIMS</i>	<i>British-American Investments Co.(Kenya)Ltd Ord 0.10</i>
<i>Kakuzi Ltd Ord.5.00</i>	<i>Hutchings Biemer Ltd Ord 5.00 (suspended)</i>	<i>Liberty Kenya Holdings Ltd Ord.1.00</i>
<i>Kapchorua Tea Co. Ltd Ord 5.00 AIMS</i>	<i>Kenya Airways Ltd Ord 5.00</i>	<i>Jubilee Holdings Ltd Ord 5.00</i>
<i>The Limuru Tea Co. Ltd Ord 20.00 AIMS</i>	<i>Longhorn Kenya Ltd Ord 1.00 AIMS</i>	<i>Kenya Re Insurance Corporation Ltd Ord 2.50</i>
<i>Rea Vipingo Plantations Ltd Ord 5.00</i>	<i>Nation Media Group Ltd Ord. 2.50</i>	<i>Pan Africa Insurance Holdings Ltd Ord 5.00</i>
<i>Sasini Ltd Ord 1.00</i>	<i>Scangroup Ltd Ord 1.00</i>	<i>CIC Insurance Group Ltd ord.1.00</i>
<i>Williamson Tea Kenya Ltd Ord 5.00 AIMS</i>	<i>Standard Group Ltd Ord 5.00</i>	INVESTMENT
	<i>TPS Eastern Africa Ltd Ord 1.00</i>	<i>Centum Investment Co Ltd Ord 0.50</i>
AUTOMOBILES & ACCESSORIES	<i>Uchumi Supermarket Ltd Ord 5.00</i>	<i>City Trust Ltd Ord 5.00 AIMS</i>
<i>Car & General (K) Ltd Ord 5.00</i>		<i>Olympia Capital Holdings Ltd Ord 5.00</i>
<i>CMC Holdings Ltd Ord 0.50(suspended)</i>	CONSTRUCTION & ALLIED	<i>Trans-Century Ltd Ord 0.50 AIMS</i>
<i>Marshalls (E.A.) Ltd Ord 5.00</i>	<i>Athi River Mining Ord 5.00</i>	
<i>Sameer Africa Ltd Ord 5.00</i>	<i>Bamburi Cement Ltd Ord 5.00</i>	MANUFACTURING & ALLIED
	<i>Crown Berger Kenya Ltd Ord 5.00</i>	<i>A.Baumann& Co Ltd Ord 5.00 AIMS(suspended)</i>
BANKING	<i>E.A.Cables Ltd Ord 0.50</i>	<i>B.O.C Kenya Ltd Ord 5.00</i>
<i>Barclays Bank of Kenya Ltd Ord 0.50</i>	<i>E.A.Portland Cement Co. Ltd Ord 5.00</i>	<i>British American Tobacco Kenya Ltd Ord 10.00</i>
<i>CFC Stanbic of Kenya Holdings Ltd ord.5.00</i>		<i>Carbacid Investments Ltd Ord 5.00</i>
<i>Diamond Trust Bank Kenya Ltd Ord4.00</i>	ENERGY & PETROLEUM	<i>East African Breweries Ltd Ord 2.00</i>
<i>Equity Bank Ltd Ord 0.50</i>	<i>KenGen Co. Ltd Ord. 2.50</i>	<i>Eveready East Africa Ltd Ord.1.00</i>
<i>Housing Finance Co.Kenya Ltd Ord 5.00</i>	<i>KenolKobil Ltd Ord 0.05</i>	<i>Kenya Orchards Ltd Ord 5.00 AIMS</i>
<i>Kenya Commercial Bank Ltd Ord 1.00</i>	<i>Kenya Power & Lighting Co Ltd Ord 2.50</i>	<i>Mumias Sugar Co. Ltd Ord 2.00</i>
<i>National Bank of Kenya Ltd Ord 5.00</i>	<i>Total Kenya Ltd Ord 5.00</i>	<i>Unga Group Ltd Ord 5.00</i>
<i>NIC Bank Ltd Ord 5.00</i>	<i>Umeme Ltd Ord 0.50</i>	
<i>Standard Chartered Bank Kenya Ltd Ord 5.00</i>		TELECOMMUNICATION & TECHNOLOGY
<i>The Co-operative Bank of Kenya Ltd Ord 1.00</i>		<i>AccessKenya Group Ltd Ord. 1.00</i>
		<i>Safaricom Ltd Ord 0.05</i>

Source: NSE

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ii. Traded Bonds' Statistics Q4/2012

October 2012

Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
Government bonds				
FXD1/2003/010	10.80	10.80	1	106,333.20
FXD1/2006/007	11.50	11.00	2	465,570.30
FXD1/2006/008	12.20	10.62	3	2,363,150.85
FXD1/2006/010	11.00	6.00	9	1,008,786,494.85
FXD1/2006/011	12.50	10.92	6	6,063,316.20
FXD1/2006/012	12.25	10.97	5	11,831,581.25
FXD1/2007/006	10.50	10.40	2	42,851,993.50
FXD1/2007/007	13.00	9.28	3	203,552,520.00
FXD1/2007/010	12.75	6.00	14	664,399,342.30
FXD1/2007/012	11.50	11.01	2	37,112,796.00
FXD1/2007/015	12.85	10.40	2	172,667.60
FXD1/2008/005	10.60	10.60	1	68,241,970.60
FXD1/2008/015	11.30	10.10	6	574,387,326.00
FXD1/2008/020	15.35	10.73	38	739,420,068.55
FXD1/2009/005	10.80	10.80	1	75,216,791.40
FXD1/2009/010	11.30	11.30	1	57,184,218.00
FXD1/2009/015	14.00	9.05	14	1,252,926,405.70
FXD1/2010/005	11.50	9.25	13	1,232,612,156.00
FXD1/2010/010	12.50	6.00	27	1,956,907,755.00
FXD1/2010/015	13.00	7.00	9	771,918,479.00
FXD1/2010/025	12.50	7.95	2	278,146,494.40
FXD1/2011/001	12.00	9.00	3	68,608,315.00
FXD1/2011/002	12.00	9.80	3	1,684,373.90
FXD1/2011/005	12.50	8.27	17	1,080,286,411.40
FXD1/2011/020	13.00	13.00	1	497,206.80
FXD1/2012/001	12.00	9.22	18	109,498,467.10
FXD1/2012/002	12.25	9.00	9	3,688,997,331.50
FXD1/2012/005	14.00	9.28	27	3,601,734,390.00
FXD1/2012/010	12.90	9.05	19	2,673,210,625.00
FXD1/2012/015	15.00	11.10	175	13,596,397,430.65
FXD2/2003/010	10.80	10.80	1	10,992,454.00
FXD2/2006/007	15.00	10.60	2	6,976,104.00
FXD2/2006/010	11.00	11.00	1	24,118,416.40
FXD2/2007/015	11.10	11.10	1	5,921,355.00
FXD2/2008/005	10.60	10.60	1	13,958,532.00
FXD2/2008/010	12.50	7.00	16	3,013,529,603.90
FXD2/2010/005	10.90	8.30	7	1,608,640,673.00
FXD2/2010/015	12.90	9.30	19	778,236,047.35
FXD2/2011/002	10.40	10.40	1	203,601,000.00
FXD2/2012/001	10.00	9.50	18	120,610,208.60

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FXD2/2012/002	10.50	9.42	8	723,166,262.00
FXD3/2007/015	13.00	7.30	18	1,990,075,423.95
FXD3/2008/005	10.50	10.50	1	92,070,572.00
FXD3/2008/010	11.30	10.97	2	78,961,122.50
FXD3/2012/001	11.15	10.00	5	1,567,625,418.00
FXD4/2008/005	10.60	10.60	1	25,793,716.00
FXD4/2011/002	16.75	9.05	70	2,802,069,000.40
IFB1/2009/012	12.20	10.00	5	75,079,116.30
IFB1/2010/008	12.50	9.08	11	1,015,822,148.40
IFB1/2011/012	14.80	9.15	213	22,894,108,974.80
IFB2/2009/012	13.10	6.45	12	781,372,743.70
IFB2/2010/009	7.46	7.26	8	238,437,850.00
SDB1/2011/030	14.00	11.50	10	680,492,696.25
		Sub-total	864	72,557,241,421
Corporate Bonds				
KENB	14.00	12.05	8	6,533,451.35
SCOB	12.19	12.19	1	31,788,780.00
BBKB	18.00	18.00	1	900,424.00
		Sub-total	10	39,222,655
		Grand Total	874	72,596,464,076

November 2012

Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
Government bonds				
FXD1/2003/010	13.25	13.25	2	205,027.80
FXD1/2006/010	6.75	5.50	2	502,632,800.00
FXD1/2006/012	11.09	11.09	1	1,382,228.40
FXD1/2007/006	11.80	11.80	1	11,362,173.75
FXD1/2007/007	13.00	13.00	1	97,467,300.00
FXD1/2007/008	12.00	12.00	1	16,776,160.00
FXD1/2007/010	13.00	13.00	1	46,307.45
FXD1/2008/005	15.25	15.25	1	204,899.00
FXD1/2008/010	11.08	11.08	1	1,211,908.80
FXD1/2008/015	12.00	11.70	5	844,515,500.00
FXD1/2008/020	13.50	10.89	147	3,261,837,304.30
FXD1/2009/005	15.50	12.00	3	27,700,850.50
FXD1/2009/015	11.21	11.21	1	2,069,453.40
FXD1/2010/005	15.25	9.12	7	586,223,983.00
FXD1/2010/010	13.00	12.00	5	112,657,570.30
FXD1/2010/015	12.50	11.23	23	1,223,619,628.00
FXD1/2010/025	7.83	7.00	2	584,340,000.00
FXD1/2011/005	13.00	7.00	13	1,593,050,262.20
FXD1/2011/020	13.20	13.20	1	1,562,906.00

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Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
FXD1/2012/001	12.50	10.50	4	69,777,215.50
FXD1/2012/002	14.00	11.50	3	1,135,202,050.35
FXD1/2012/005	13.30	11.00	21	2,057,832,541.00
FXD1/2012/010	14.80	9.11	9	1,592,502,680.00
FXD1/2012/015	14.00	11.18	79	5,638,125,240.30
FXD1/2012/020	13.75	12.80	19	570,032,980.00
FXD2/2006/007	10.50	10.50	1	6,407,280.00
FXD2/2006/010	12.00	12.00	1	11,114,586.00
FXD2/2007/015	13.50	13.00	2	5,804,387.80
FXD2/2008/010	12.50	5.50	11	3,415,212,500.00
FXD2/2010/005	12.00	10.66	5	810,157,540.00
FXD2/2010/015	13.20	11.25	7	843,393,139.55
FXD2/2011/002	11.90	10.10	4	181,595,137.50
FXD2/2012/001	12.50	10.50	3	59,817,256.00
FXD2/2012/002	12.50	11.30	6	1,126,598,612.00
FXD3/2007/015	13.50	7.10	23	1,608,252,698.40
FXD3/2008/005	11.80	11.80	1	14,138,474.00
FXD3/2008/010	15.25	15.25	2	169,817.40
FXD3/2011/002	14.00	14.00	1	49,583.75
FXD3/2012/002	12.45	10.60	13	574,169,845.15
FXD4/2008/005	11.80	11.80	1	37,621,862.00
FXD4/2011/002	18.00	12.20	7	242,040,735.50
IFB1/2009/012	13.25	8.45	8	936,052,999.00
IFB1/2010/008	9.00	8.67	2	525,526,750.00
IFB1/2011/012	14.50	9.07	149	8,100,536,147.45
IFB2/2009/012	13.00	11.70	2	5,974,371.20
IFB2/2010/009	8.07	6.35	4	382,876,750.00
SDB1/2011/030	15.50	11.95	11	67,583,383.60
			Sub-total	617
				38,887,432,826
Corporate Bonds				
KENB	15.00	13.00	13	6,635,262.20
MRMB	12.55	12.55	1	1,002,033.00
CFCB	12.43	12.43	1	789,417.75
			Sub-total	15
				8,426,713
			Grand Total	632
				38,895,859,539

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Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
Government bonds				
FXD1/2006/007	10.00	10.00	1	52,758.00
FXD1/2006/008	11.30	10.93	2	1,223,657.95
FXD1/2006/009	11.80	11.80	2	52,716,850.00
FXD1/2006/010	12.00	11.80	4	9,685,946.60
FXD1/2006/011	11.50	11.50	1	55,657.25
FXD1/2007/006	9.13	8.67	4	35,082,737.30
FXD1/2007/007	11.21	11.21	3	4,160,032.20
FXD1/2007/008	10.22	10.22	1	109,065.30
FXD1/2007/010	12.01	12.01	1	1,837,892.80
FXD1/2007/012	12.02	12.02	1	105,497.60
FXD1/2008/005	8.45	8.17	2	1,038,775.00
FXD1/2008/010	12.01	12.01	1	395,834.80
FXD1/2008/015	15.00	11.69	15	456,214,892.30
FXD1/2008/020	14.50	12.00	8	673,182,243.50
FXD1/2009/005	11.30	11.30	1	3,967,868.00
FXD1/2009/010	12.02	12.02	2	3,254,194.40
FXD1/2009/015	15.00	12.05	3	656,882.20
FXD1/2010/005	12.00	12.00	1	5,868,603.00
FXD1/2010/010	13.85	12.00	10	1,248,429,504.60
FXD1/2010/025	15.00	15.00	1	1,521,718.00
FXD1/2011/002	10.00	8.17	4	16,272,134.70
FXD1/2011/005	14.25	6.50	25	2,149,373,866.40
FXD1/2011/020	12.91	12.67	5	43,161,404.60
FXD1/2012/001	10.00	8.17	3	2,298,145.80
FXD1/2012/002	13.00	11.50	2	7,289,426.00
FXD1/2012/005	12.00	10.52	5	196,074,477.00
FXD1/2012/010	12.20	7.30	10	984,755,406.20
FXD1/2012/015	12.65	11.00	95	4,929,316,373.20
FXD1/2012/020	13.75	12.20	20	603,113,500.20
FXD2/2003/010	10.11	10.11	1	812,781.60
FXD2/2006/010	11.80	11.80	1	42,746,800.00
FXD2/2007/015	12.04	12.04	1	343,315.20
FXD2/2008/005	9.13	8.70	2	20,041,776.40
FXD2/2008/010	13.50	11.50	32	670,615,829.35
FXD2/2010/005	12.00	10.00	4	166,887,386.10
FXD2/2010/010	12.90	12.03	12	6,548,172.10
FXD2/2010/015	15.00	15.00	1	105,482.40
FXD2/2011/002	15.00	8.60	3	6,873,914.70
FXD2/2012/001	12.00	10.00	2	3,797,565.35
FXD2/2012/002	12.00	11.00	5	1,648,578,700.00

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Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
FXD3/2007/015	12.04	12.04	1	1,031,516.00
FXD3/2008/005	10.68	10.16	5	39,019,874.30
FXD3/2011/002	15.00	15.00	2	693,692.30
FXD3/2012/001	10.00	8.89	4	6,218,432.50
FXD3/2012/002	12.00	11.30	5	57,038,866.90
FXD4/2008/005	11.62	10.52	2	6,693,521.60
FXD4/2011/002	12.15	10.67	3	106,491,625.40
IFB1/2009/012	13.94	7.97	11	746,813,966.25
IFB1/2010/008	14.75	8.47	6	853,064,803.60
IFB1/2011/012	14.50	9.00	48	4,854,171,206.90
IFB2/2009/012	12.90	7.97	17	3,353,037,647.00
IFB2/2010/009	12.65	7.50	9	1,699,585,381.50
SDB1/2011/030	15.50	11.50	20	924,488,142.55
		Sub-total	430	26,646,915,745
Corporate Bonds				
BBKB	14.00	10.95	4	6,706,272.40
CONB	13.50	13.50	1	1,057,115.00
HFCB	8.50	8.50	1	1,529,343.00
KENB	13.98	8.10	3	8,816,492.25
MRMB	18.38	12.51	3	1019823.7
SCOB	12.61	12.61	1	5109135
SHEB	12.50	12.50	1	951922.8
		Sub-total	14	25,190,104
		Grand Total	444	26,672,105,849

iii. Performance of other Selected Markets

Quarterly Performance – EAC Member States (Equities) [quarter to December 2012].

Indicator	Uganda	Tanzania	Kenya
Number of Shares Traded (million)	193.85	18.13	1,757.22
Turnover (US Dollars billion)	0.006	0.0097	0.34
Number of Deals	894	2,229	112,796
Average Market Cap (US Dollars billion)	5.90	8.32	14.5
Turnover Ratio (Turnover/Average Market Cap)	0.10	0.0012	0.06
All Share Index (Closing)	1,203.42	1,485.63	95.00
Exchange rate to the USD (December)	2,525.29	1,571.62	86.00

Source(s): CMA(K), CMA (U), CMSA (TZ)

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iv. Market Capitalization in USD (Millions) for selected Markets – Oct. - Dec. 2012

Exchange				% change / Dec 11 (in USD)	% change / Dec 11 (in local cur)
	October	November	December		
Americas					
Bermuda SE	1 074.7	1 268.0	1 486.9	20.7%	20.7%
BM&FBOVESPA	1 161 518.7	1 140 624.1	1 227 447.0	-0.1%	9.6%
Buenos Aires SE	29 125.5	29 214.9	34 254.8	-21.4%	-10.2%
Colombia SE	249 562.8	245 396.5	262 101.3	30.2%	18.7%
Lima SE	97 029.5	96 847.7	102 616.7	25.3%	18.6%
Mexican Exchange	496 091.3	504 222.4	525 056.7	28.5%	19.5%
NASDAQ OMX	4 526 336.6	4 576 855.0	4 582 389.1	19.2%	19.2%
NYSE Euronext (US)	13 624 774.9	13 613 345.3	14 085 944.1	19.4%	19.4%
Santiago SE	308 204.9	298 038.9	313 325.3	15.9%	6.9%
TMX Group	2 044 429.3	2 034 211.5	2 058 838.7	7.7%	5.3%
Total region	22 538 148.3	22 540 024.3	23 193 460.5	17.2%	
Asia - Pacific					
Australian SE	1 347 812.1	1 349 206.1	1 386 874.0	15.7%	14.3%
BSE India	1 202 909.3	1 238 847.9	1 263 335.5	25.4%	29.4%
Bursa Malaysia	467 303.3	454 632.3	466 587.6	17.9%	13.8%
Colombo SE	16 215.8	15 788.8	16 974.0	-12.7%	-2.1%
GreTai Securities Market	53 365.4	56 586.5	59 849.9	-	-
Hong Kong Exchanges	2 633 278.2	2 714 201.7	2 831 945.9	25.4%	25.2%
Indonesia SE	428 573.1	424 492.0	428 222.6	9.8%	16.7%
Korea Exchange	1 113 731.4	1 132 057.9	1 179 419.5	18.4%	10.0%
National Stock Exchange India	1 178 116.2	1 213 899.2	1 234 492.0	25.3%	29.3%
Osaka SE	207 124.7	203 162.7	202 150.6	-6.1%	5.5%
Philippine SE	222 649.3	227 605.8	229 316.6	38.9%	30.1%
Shanghai SE	2 313 934.4	2 219 896.8	2 547 203.8	8.1%	7.0%
Shenzhen SE	1 097 596.4	982 089.6	1 150 172.3	9.1%	7.9%
Singapore Exchange	741 439.6	746 147.7	765 078.0	27.9%	20.5%
Taiwan SE Corp.	676 713.9	719 904.5	735 292.6	15.7%	11.0%
The Stock Exchange of Thailand	356 978.0	364 274.0	389 756.3	45.2%	40.7%
Tokyo SE Group	3 275 392.9	3 334 918.8	3 478 831.5	4.6%	17.6%
Total region	15 947 893.2	15 980 650.3	16 928 859.9	15.0%	
Europe - Africa - Middle East					
Abu Dhabi SE	70 824.7	70 875.6	67 950.5	7.3%	7.3%
Amman SE	26 805.4	26 927.2	26 967.5	-0.8%	-0.7%
Athens Exchange	39 086.3	39 456.6	44 876.5	32.9%	30.8%
BME Spanish Exchanges	963 931.8	937 301.1	995 088.5	-3.5%	-5.0%
Budapest SE	22 423.9	21 571.4	20 760.2	10.6%	0.7%
Casablanca SE	52 497.8	53 843.3	52 479.8	-12.7%	-13.8%
Cyprus SE	2 251.8	2 055.8	1 995.8	-30.1%	-31.1%
Deutsche Börse	1 391 916.9	1 428 806.0	1 486 314.8	25.5%	23.6%
Egyptian Exchange	64 637.4	55 701.3	59 182.0	21.6%	28.3%
IMKB	277 804.5	280 985.3	315 197.5	59.9%	51.1%

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Irish SE	104 525.7	107 266.6	108 989.2	0.5%	-1.0%
Johannesburg SE	835 465.3	842 302.8	903 371.9	14.5%	20.3%
Ljubljana SE	6 021.2	5 927.0	6 474.8	2.4%	0.8%
London SE Group	3 526 277.1	3 571 896.4	3 396 504.9	4.0%	2.4%
Luxembourg SE	66 300.4	67 196.1	70 338.4	4.0%	2.4%
Malta SE	3 629.3	3 567.7	3 631.5	5.9%	4.3%
Mauritius SE	6 851.2	6 894.4	7 180.1	-8.5%	-4.7%
MICEX / RTS	766 500.3	779 390.2	825 340.5	-	-
Muscat Securities Market	29 639.0	29 379.2	30 291.3	12.8%	12.8%
NASDAQ OMX Nordic Exchange	933 472.0	961 319.2	995 719.2	18.2%	16.4%
NYSE Euronext (Europe)	2 677 497.7	2 752 856.0	2 832 188.5	15.8%	14.0%
Oslo Børs	242 204.3	234 789.4	242 764.9	9.9%	2.5%
Saudi Stock Exchange - Tadawul	366 780.7	356 160.0	373 374.8	10.2%	10.2%
SIX Swiss Exchange	1 176 456.0	1 215 140.6	1 233 438.9	13.2%	10.8%
Tel Aviv SE	160 981.1	165 793.6	161 855.5	3.1%	0.6%
Warsaw SE	156 491.6	163 470.4	177 408.4	28.3%	15.7%
Wiener Börse	96 410.3	100 607.9	106 036.8	24.4%	22.4%
Total region	13 967 219.9	14 181 226.2	14 447 480.8	11.9%	
WFE Total	52 453 261.3	52 701 900.8	54 569 801.2	15.1%	

Notes:

Johannesburg SE: figures include the market capitalization of all listed companies, but exclude listed warrants, convertibles and investment funds

Korea Exchange: includes Kosdaq market data

Mauritius SE: From Aug. 2006, data includes Development & Enterprise Market

NASDAQ OMX Nordic Exchange : OMX includes Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges

Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore. Inactive secondary foreign listings are excluded.

TSX Group: also includes TSX Venture market cap

Total excludes Osaka and National Stock Exchange of India to avoid double counting with Tokyo and Bombay SE respectively

Source : World Federation of Exchanges members

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